



House of Representatives

File No. 755

General Assembly

January Session, 2003

(Reprint of File No. 100)

Substitute House Bill No. 6484
As Amended by House
Amendment Schedule "A"

Approved by the Legislative Commissioner
May 22, 2003

**AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE
CONCERNING ENERGY MANAGEMENT BY STATE GOVERNMENT.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 16a-37u of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2003*):

3 (a) The Secretary of the Office of Policy and Management shall be
4 responsible for planning and managing energy use in state-owned and
5 leased buildings and shall establish a program to maximize the
6 efficiency with which energy is utilized in such buildings. [He] The
7 secretary shall exercise this authority by (1) preparing and
8 implementing annual and long-range plans, with timetables,
9 establishing goals for reducing state energy consumption and, based
10 on energy audits, specific objectives for state agencies to meet the
11 performance standards adopted under section 16a-38, as amended by
12 this act; (2) coordinating federal and state energy conservation
13 resources and activities, including but not limited to, those required to
14 be performed by other state agencies under this chapter; and (3)

15 monitoring energy use and costs by budgeted state agencies on a
16 monthly basis.

17 (b) Not later than January fifth, annually, the Secretary of the Office
18 of Policy and Management shall submit a report to the Governor and
19 the joint standing committee of the General Assembly having
20 cognizance of matters relating to energy planning and activities. The
21 report shall (1) indicate the total number of energy audits and technical
22 assistance audits of state-owned and leased buildings, (2) summarize
23 the status of the energy conservation measures recommended by such
24 audits, (3) summarize all energy conservation measures implemented
25 during the preceding twelve months in state-owned and leased
26 buildings which have not had such audits, (4) analyze the availability
27 and allocation of funds to implement the measures recommended
28 under subdivision (2) of this subsection, (5) list each budgeted agency,
29 as defined in section 4-69, which occupies a state-owned or leased
30 building and has not cooperated with the Commissioner of Public
31 Works and the Secretary of the Office of Policy and Management in
32 conducting energy and technical assistance audits of such building and
33 implementing operational and maintenance improvements
34 recommended by such audits and any other energy conservation
35 measures required for such building by the secretary, (6) summarize
36 all life-cycle cost analyses prepared under section 16a-38, as amended
37 by this act, during the preceding twelve months, and summarize
38 agency compliance with the life-cycle cost analyses, and (7) identify
39 any state laws, regulations or procedures that impede innovative
40 energy conservation and load management projects in state buildings.

41 (c) The Secretary of the Office of Policy and Management, in
42 conjunction with the Department of Public Works, shall as soon as
43 practicable and where cost-effective connect all state-owned buildings
44 to a district heating and cooling system, where such heating and
45 cooling system currently exists or where one is proposed. The
46 secretary, in conjunction with the Department of Public Works, shall
47 prepare an annual report with the results of [his] the progress in
48 connecting state-owned buildings to such a heating and cooling

49 system, the cost of such connection and any projected energy savings
50 achieved through any such connection. The secretary shall submit [his]
51 the report to the joint standing committee of the General Assembly
52 having cognizance of matters relating to energy on or before January 1,
53 1993, and January first annually thereafter.

54 (d) The Secretary of the Office of Policy and Management shall
55 require each state agency to maximize its use of public service
56 companies' energy conservation and load management programs and
57 to provide sites in its facilities for demonstration projects of highly
58 energy efficient equipment, provided such demonstration project does
59 not impair the functioning of the facility.

60 Sec. 2. Section 4-73 of the general statutes is repealed and the
61 following is substituted in lieu thereof (*Effective October 1, 2003*):

62 (a) Part II of the budget document shall present in detail for each
63 fiscal year of the ensuing biennium the Governor's recommendation
64 for appropriations to meet the expenditure needs of the state from the
65 General Fund and from all special and agency funds classified by
66 budgeted agencies and showing for each budgeted agency and its
67 subdivisions: (1) A narrative summary describing the agency, the
68 Governor's recommendations for appropriations for the agency and a
69 list of agency programs, the actual expenditure for the last-completed
70 fiscal year, the estimated expenditure for the current fiscal year, the
71 amount requested by the agency and the Governor's recommendations
72 for appropriations for each fiscal year of the ensuing biennium; (2) a
73 summary of permanent full-time positions by fund, setting forth the
74 number filled and the number vacant as of the end of the last-
75 completed fiscal year, the total number intended to be funded by
76 appropriations without reduction for turnover for the fiscal year in
77 progress, the total number requested and the total number
78 recommended for each fiscal year of the biennium to which the budget
79 relates.

80 (b) In addition, programs shall be supported by: (1) The statutory

81 authorization for the program; (2) a statement of program objectives;
82 (3) a description of the program, including a statement of need,
83 eligibility requirements and any intergovernmental participation in the
84 program; (4) a statement of performance measures by which the
85 accomplishments toward the program objectives can be assessed,
86 which shall include, but not be limited to, an analysis of the workload,
87 quality or level of service and effectiveness of the program; (5)
88 program budget data broken down by major object of expenditure,
89 showing additional federal and private funds; (6) a summary of
90 permanent full-time positions by fund, setting forth the number filled
91 and the number vacant as of the end of the last-completed fiscal year,
92 the total number intended to be funded by appropriations without
93 reduction for turnover for the fiscal year in progress, the total number
94 requested and the total number recommended for each fiscal year of
95 the biennium to which the budget relates; (7) a statement of
96 expenditures for the last-completed and current fiscal years, the
97 agency request and the Governor's recommendation for each fiscal
98 year of the ensuing biennium and, for any new or expanded program,
99 estimated expenditure requirements for the fiscal year next succeeding
100 the biennium to which the budget relates; and (8) an explanation of
101 any significant program changes requested by the agency or
102 recommended by the Governor.

103 (c) (1) There shall be a supporting schedule of total agency
104 expenditures including a line-item, minor object breakdown of
105 personal services, energy costs, contractual services and commodities
106 and a total of state aid grants and equipment, showing the actual
107 expenditures for the last-completed fiscal year, estimated expenditures
108 for the current fiscal year and requested and recommended
109 appropriations for each fiscal year of the ensuing biennium, classified
110 by objects according to a standard plan of classification.

111 (2) In addition, the supporting schedule of agency energy costs shall
112 be supported by a statement of the agency's plans for energy
113 conservation in each fiscal year of the ensuing biennium, and a
114 statement of the progress the agency has made in the last-completed

115 fiscal year concerning energy conservation.

116 (d) All federal funds expended or anticipated for any purpose shall
117 be accounted for in the budget. The document shall set forth a listing
118 of federal programs, showing the actual expenditures for the last-
119 completed fiscal year, estimated expenditures for the current fiscal
120 year and anticipated funds available for expenditure for each fiscal
121 year of the ensuing biennium. Such federal funds shall be classified by
122 program in each budgeted agency but shall not include research grants
123 made to educational institutions.

124 (e) Part II of the budget document shall also set forth the budget
125 recommendations for the capital program, to be supported by
126 statements listing the agency's requests and the Governor's
127 recommendations with the statements required by section 4-78.

128 (f) The appropriations recommended for the legislative branch of
129 the state government shall be the estimates of expenditure
130 requirements transmitted to the Secretary of the Office of Policy and
131 Management by the Joint Committee on Legislative Management
132 pursuant to section 4-77 and the recommended adjustments and
133 revisions of such estimates shall be the recommended adjustments and
134 revisions, if any, transmitted by said committee pursuant to said
135 section 4-77.

136 Sec. 3. (*Effective from passage*) Not later than December 15, 2003, the
137 Secretary of the Office of Policy and Management shall require a report
138 from each state agency concerning the methods available to the agency
139 to reduce energy costs and the feasibility of implementing said
140 methods. Not later than January 15, 2004, the secretary shall schedule a
141 public hearing on the reports and shall invite the members of the joint
142 standing committees of the General Assembly having cognizance of
143 matters relating to appropriations and energy and technology and the
144 Legislative Program Review and Investigations Committee.

145 Sec. 4. (*Effective from passage*) Not later than July 1, 2004, the Office of
146 Policy and Management and the Department of Public Works shall

147 establish a pilot program under which the state selects an existing state
148 facility or complex of facilities to be covered by an energy performance
149 contract with a private vendor. The agencies that participate in the
150 pilot program shall submit reports on the results of the program to the
151 joint standing committees of the General Assembly having cognizance
152 of matters relating to appropriations and energy and technology in
153 accordance with section 11-4a of the general statutes. Such reports
154 shall be submitted not later than three months after the effective date
155 of the contract and annually thereafter until the final report is
156 submitted not later than three months after the termination of the
157 contract.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>
Sec. 2	<i>October 1, 2003</i>
Sec. 3	<i>from passage</i>
Sec. 4	<i>from passage</i>

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Policy & Mgmt., Off.; All; Pub. Works, Dept.	GF - None	None	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill as amended requires agencies to report to the Office of Policy and Management (OPM) on methods available to reduce energy costs and the feasibility of implementing these methods. It is anticipated that agencies can perform this responsibility as part of its normal operations, and will result in no fiscal impact.

The bill as amended requires OPM and the Department of Public Works (DPW) to establish a pilot program under which an existing state facility is covered by an energy performance contract with a private vendor, and report such findings to the General Assembly. Implementing the pilot program mandated by the bill will have no fiscal impact on DPW because the agency will use currently existing staff and resources to establish the program. It is not anticipated that the energy performance contract will result in any state cost because such contracts stipulate that the cost of the improvements are paid for through reduced energy usage.

Finally, the bill as amended requires the governor's budget to include certain energy related information and schedules, which will result in no fiscal impact to the Office of Policy and Management which prepares the budget.

House “A” eliminates the requirement that the Connecticut Energy Advisory Board (CEAB) study which state agency it believes should have responsibility for oversight of the state’s energy policy and eliminates the resulting reporting requirements. The amendment eliminates the costs of \$2,000 for the Office of Policy and Management identified in the underlying bill, which resulted from per diem compensation for members of the CEAB and potential administrative costs the Office of Policy and Management for CEAB activities.

OLR Bill Analysis

sHB 6484 (as amended by House "A")*

**AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE
CONCERNING ENERGY MANAGEMENT BY STATE
GOVERNMENT**

SUMMARY:

This bill requires the governor's budget to include a line-item breakdown of energy costs for each state agency. It requires the schedule of agency energy costs to be supported by a statement of the agency's (1) plans for energy conservation in each year of the biennium and (2) progress in the last fiscal year with regard to energy conservation.

The bill expands an Office of Policy and Management (OPM) energy conservation reporting requirement and gives the agency additional responsibilities with regard to energy.

*House Amendment "A" deletes a requirement that the Connecticut Energy Advisory Board study which agency should have oversight of the state's energy policy and report its findings and recommendations to the Energy and Technology Committee by January 15, 2004.

EFFECTIVE DATE: October 1, 2003 for the budget and OPM reporting requirements, upon passage for the remaining provisions.

OPM RESPONSIBILITIES

By law, agencies must perform life-cycle cost analyses for large buildings built, substantially renovated, or funded by the state. The analysis calculates the capital costs of heating and other building energy systems and the building's energy costs over its useful life. The bill requires OPM to include information on agency compliance with these requirements as part of an energy report it must submit to the governor and the Energy and Technology Committee by January 5 annually.

Under the bill, OPM must require each state agency to report by December 15, 2003 on methods available to it to reduce energy costs and the feasibility of implementing these methods. By January 15, 2004, OPM must schedule a public hearing on the reports and invite the Appropriations, Energy and Technology, and Program Review and Investigations committees to the hearing.

The bill requires OPM and the Department of Public Works to establish a pilot program by July 1, 2004 in which the state selects one or more existing state facilities to be subject to an energy performance contract with a private vendor. The participating agencies must report the results of the program to the Appropriations and Energy and Technology committees. The first report must be submitted within three months after the contracts go into effect and annually thereafter. The final report must be submitted within three months after the contract is terminated.

BACKGROUND

Legislative History

The House referred the original version of this bill (File 100) to the Energy and Technology, Government Administration and Elections, and Legislative Management committees on April 9, April 22, and May 6, respectively. The committees favorably reported the bill on April 15, April 30, and May 12, respectively.

COMMITTEE ACTION

Program Review and Investigations Committee

Joint Favorable Substitute

Yea 11 Nay 0

Energy and Technology Committee

Joint Favorable Report

Yea 15 Nay 0

Government Administration and Elections Committee

Joint Favorable Report

Yea 18 Nay 0

Legislative Management Committee

Joint Favorable Report

Yea 19 Nay 0